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Japan Develops Overseas Sources of Food and Feed

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This week's cover:

Holstein fair in Japan. By 1977, the Japanese hope to be producing domestically most of their increasing requirements of milk, meat, and poultry products; but much other food and most feedstuffs must come from import sources. Japan's drive to diversify its farm import sources is described in the two-part article beginning on this page.

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JAPAN'S OVERSEAS AID AND INVESTMENTS BUILD NEW SOURCES OF FOOD AND FEED IMPORTS

Part I. Origin and importance of program

By CLARENCE E. PIKE
Agricultural Economist
Economic Research Service

Japan, the leading foreign market for U.S. farm products, is actively pursuing its long-term program of foreign aid and investments in certain foreign countries, to assist them in expanding their agricultural output—particularly, their output of products that Japan imports in large volume. These production-for-export projects are expected to generate sharp increases in supplies on world markets by 1980—millions of tons of feedgrains and oilseeds, several hundred thousand tons of cotton.

Since most of the increases will go to Japan, the United States—which has been Japan's dominant source for these and a number of other important farm commodities—will face direct competition for its share of the Japanese market.

Japan's overseas projects have a number of major objectives. Among them—

- Assuring ample supplies of the food products and industrial raw materials Japan must import in large volume;
- Hedging against interruptions of supply by diversifying sources;
- Lowering and stabilizing world

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For details on the subject of this article, see his *Japanese Overseas Aid and Investments—Their Potential Effects on World and U.S. Farm Exports*, recently published in the Foreign Agricultural Economic Report Series of ERS.

L. to r., U.S. soybean meal and beef fed on U.S. grain sorghum. These exports face direct competition from Japan's overseas program.

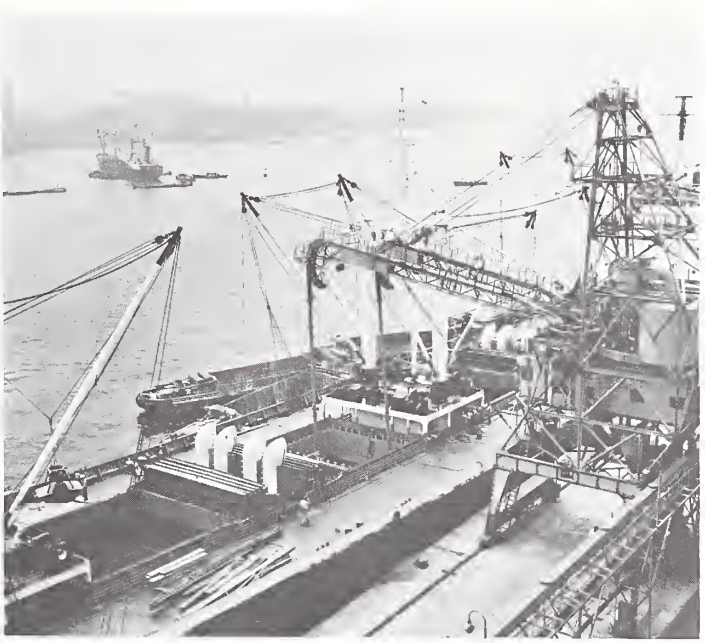
prices by expanding supplies in world trade;

- Providing foreign exchange, especially to less developed countries (LDC's), as a means of enlarging markets for Japanese industrial products;
- Maintaining good relations with the rest of the world by using much of the surplus Japanese foreign exchange in aid and investments abroad; and
- Fulfilling Japan's international obligations under the United Nations Second Development Decade goal for developed countries.

Most of the overseas agricultural projects have been in Southwest Asia, where Japan's foreign aid efforts have been concentrated. Now, however, the policy is to expand more rapidly in Africa and Latin America, as well as to support farm production-for-export ventures in Australia and certain other developed countries.

Importance to the United States. In 1970, the United States supplied 32 percent of Japan's $4.2 billion worth of agricultural imports. If commodities in which there is no U.S. export interest are excluded from the list, the U.S. share was close to one-half for the 22 selected commodities that remain.[1] In 1971, the U.S. share was 30 percent of Japan's agricultural total

[1] In SITC (Standard International Trade Classification) order, these are: Beef and veal, pork, poultry meat, nonfat dry milk, wheat, rice, barley, corn, sorghum and millet, lemons and limes, almonds (shelled), raisins, canned pineapple, pulses, wheat bran, alfalfa meal and pellets, tobacco, cattle hides, soybeans, safflowerseed, cotton and linters, and tallow.



Left, poultry feed is major use for corn (No. 2 U.S. export to Japan). Corn ranks high in Japan's oveseas program. Above, unloading wheat (No. 3), which is not affected by program.

and 50 percent of the selected list.

Japan still ranked first in 1971 among all U.S. overseas markets for farm products; but U.S. exports to the Japanese market shrank 11.5 percent from 1970 for the total of all agricultural items—from $1,214 million to $1,073 million—and 12.4 percent for the selected items—from $1,132 million to $992 million.

Japan's production-for-export projects are implemented mainly through foreign aid and overseas investments. Also, in some cases, the Japanese have guaranteed minimum prices and made firm commitments to purchase all that is produced of a specified commodity.

Japan's foreign aid or economic cooperation program is both financial and technical. Expenditures of this sort by Japan totaled $1.8 billion for the Japanese fiscal year ended March 31, 1971—44 percent more than the previous year and nearly three times the 1966 level. Overseas financing officially classified as foreign aid includes bilateral official loans and grants, contributions to multilateral organizations, private export credits, and private investments in the developing countries. A high percentage of the funds is spent on projects that will contribute to increased exports of Japanese industrial goods or expand foreign supplies of agricultural products and other raw materials that Japan must import.

This type of expenditure is due for a marked increase. The Japanese Government has pledged to reach the Second Development Decade goal of the United Nations, which calls for overseas assistance amounting to at least 1 percent of the gross national product (GNP) by 1975 or earlier.

Japan's overseas investments as of March 31, 1970, totaled $2.7 billion, of which more than half was in developing countries. Investments in agriculture and forestry and in foodstuffs involved only $94.2 million, or 3.5 percent of the total, with a correspondingly small share in the total for each area. For this kind of investment, Asia was in the lead with $62.2 million, followed at a considerable distance by Latin America with $12.0 million; Europe, North America, and Oceania, each with around $6.0 million; and Africa with $1.7 million.

Total overseas investments reached $3.6 billion by March 31, 1971, and they are projected to expand to $10 billion in 1975 and $25 billion in 1980. Investments in agricultural production projects, while significant to the countries concerned, will continue to represent only a small part of the total. However, large investments in roads, port facilities, and other infrastructure items will contribute materially to the ability of these countries to export farm products, as well as facilitate their imports of Japanese industrial goods.

Reasons for program. Japan, one of the world's leading industrial and trading countries, ranks high among the nations in its dependence on imports. Since its farmland resources are limited and it is poor in most other natural resources, food and industrial raw materials have increasing weight in its import totals as its economy continues to grow. Its policies on meeting these rapidly rising requirements have a significant bearing on the development of its overseas program.

Japan's basic policy decisions on trade and other international economic matters have heretofore been virtually dictated by the necessity for preventing large or sustained deficits in its international balance of payments. However, this necessity no longer exists, for a large favorable trade balance has been achieved in each of the past several years, and this situation may continue indefinitely.

In 1971, continuing a steady rise, Japan's imports totaled $19.7 billion, more than three times the 1960-64 average. But exports, rising even more rapidly, more than quadrupled, reaching $23.9 billion. Agricultural items made up over 23 percent of the imports but only 5 percent of the exports, where finished industrial products dominated.

This large export gap, expected to widen further, means that a rapid expansion of Japan's foreign aid and overseas investments will be necessary if world trade is not to be upset by the vast Japanese accumulation of foreign exchange. On June 1, 1972, Japan's foreign exchange reserves were $16.0 billion, compared with only $7.1 billion a year earlier. The gap means as well, however, that the foreign exchange needed for greatly increased overseas expenditures is already there.

Japan Announces Plan To Cut Trade Surplus

Japan's Cabinet has adopted an "emergency" program to deal with its surplus trade balance.

Principal features of the new program, approved by the Cabinet on May 20, include: Reduction of interest rates; expansion of import quotas and a streamlined domestic distribution system to increase imports; more effective use of existing laws and regulations to support orderly marketing of exports; greater use of foreign currency reserves to invest in developing the natural resources of the less developed countries; and revising the current system of aid to LDC's, to permit use of loan funds for purchases from any source.

Combing cotton at Hamamatsu mill. Japan—biggest market for U.S. cotton—is now developing new overseas import sources.

U.S. ALMONDS LEAD WORLD EXPORTS

A revolution in mechanization has boosted U.S. production and new marketing ideas have upped sales.

By JEFF P. MARX
Communications Director
California Almond Growers Exchange [1]

Modern mechanization and streamlined marketing are the two forces that now have thrust California almonds into world export leadership. (California grows practically all the U.S. commercial almond crop.)

The mechanical revolution has profoundly affected production. In 1971, the U.S. almond crop totaled 81,000 short tons (shelled)—almost double the 41,400 tons harvested 5 years ago. The combined output of the other five major producing countries (Spain, Italy, Iran, Portugal, and Morocco) was only 73,500 tons, compared with 90,500 in 1967. The big increase in U.S. output has moved into world markets through advanced promotional techniques.

At one time, all California almonds were sold only in-the-shell, only during the holiday season, and only to U.S. buyers. They were harvested exclusively by hand. Poles knocked the ripe nuts from the trees and canvas sheets caught and collected them on the ground. Burlap bags were the primary means of delivery from the fields. Most almond orchards were planted on hillsides and few were irrigated.

Today, hydraulic knocking and pick-up machines rumble through the orchards, harvesting more acreage in less time than whole crews of men could in the past. Bulk trucks largely have replaced burlap bags and bins for transporting and storing almonds, and mammoth flat-land plantings have been made possible thanks to orchard irrigation systems. At the world's largest almond plant, in Sacramento, California, almonds are processed into more than 1,000 different grades and packs and sold to customers in every corner of the world, during every month of the year.

What made this happen?

Pioneers in mechanization spent years developing new equipment and techniques to do what manual labor and nature had been responsible for since ancient times. Their accomplishments accelerated new planting activity, and the result has been record harvests for California in recent years.

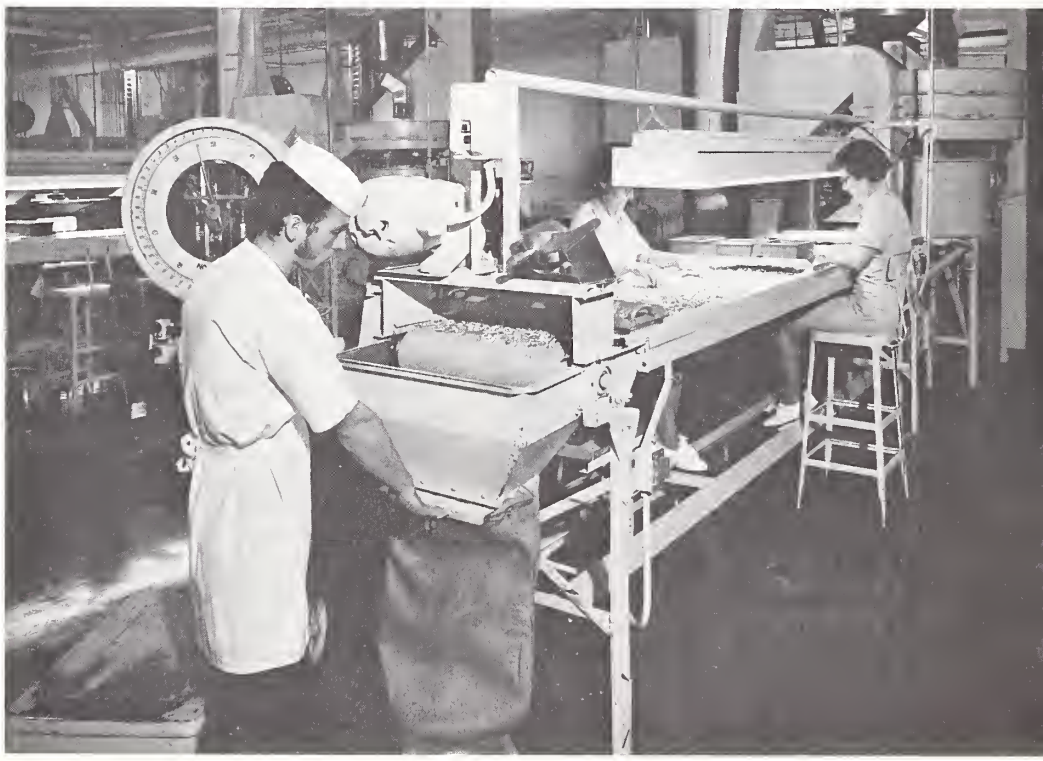
Each year, for the past 7 years, an average of 17,500 acres have been planted in almonds. As a result, one-third of the State's almond acreage is classified as nonbearing, having been planted less than 5 years ago. In some areas 90 percent of the trees are nonbearing.

More almonds are expected to be harvested in California this year than ever before, and the trend toward larger crops is clearly established. The record 164 million pounds (shelled) produced in 1971 represented an increase of 120 percent over the 5-year average (1962-66). By 1976, the forecast is for crops in the 240-million-pound range.

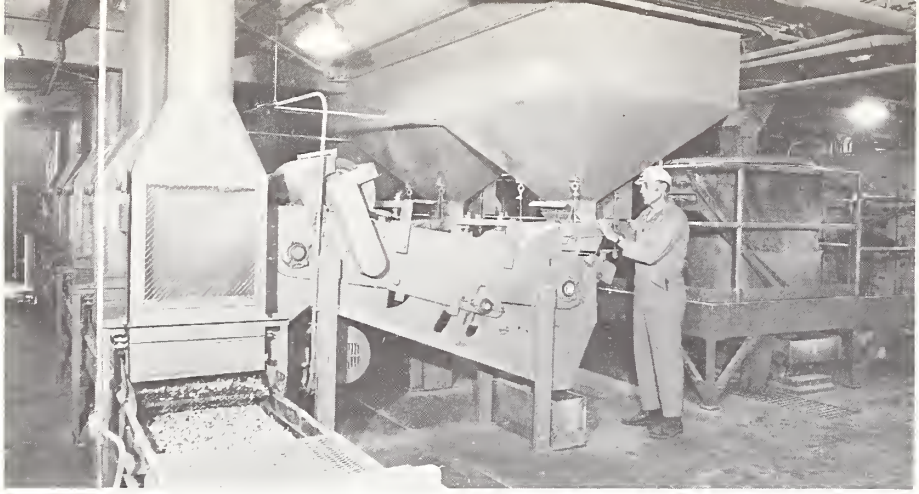
Obviously a marketing revolution comparable in size and thrust to the one underway in the orchard was needed to find outlets for increasing production. Domestic consumption increased 32 percent last year over the 1962-66 5-year average, and the export market jumped 230 percent. A system of standard pricing, and the development of new almond products and new uses for the nuts, can be credited for the lion's share of this success story.

Almonds top all other U.S. tree nuts in value of production. They are sec-

More than 1,000 grades and packs of U.S. almonds are inspected before shipping.



[1] The California Almond Growers Exchange is a cooperator with the Foreign Agricultural Service in overseas market development promotion.



Almonds are shelled and moved to processing automatically in this modern plant.

ond in farm income among California tree crops, and ninth among the State's hundreds of farm commodities. The 1971 crop was valued at more than $85 million.

Export sales, practically nonexistent in 1950, now account for half the tonnage produced each year. This has meant selling almonds in large quantities to countries which were not buying at all a decade ago. It also has meant selling California almonds to countries which traditionally have purchased their supplies from Mediterranean sources such as Spain and Italy.

For example, according to the Foreign Agricultural Service, in the 1967-68 marketing year Italy was the world's largest exporter, shipping 31,400 short tons; Spain was in second place, with 23,800 tons; and the United States ran a poor third with exports totaling only 10,600. Estimates for the current marketing year (August 1971-July 1972) show the United States way ahead in first place with shipments forecast at about 38,000 tons. Spain is still second, but shipments are expected to be down slightly to 22,000, while Italy is lagging far behind with exports of 17,000.

A list of major export deliveries by country of destination illustrates the diversity of the world marketplace for U.S. almonds (see next column).

West Germany currently is the largest importer. Almonds have been used in West European countries for generations, but buyers have only recently begun to use U.S. varieties. Their extensive experience with Mediterranean almonds formed a traditional buying pattern which was difficult to change. Stable pricing, uniform quality, and good service, now have opened parts of these markets to California's product.

Country	Crop year July 1971-May 1972 *1,000 pounds (shelled)*
West Germany	24,627
Japan	10,403
United Kingdom	7,506
Sweden	5,716
France	5,576
Canada	3,347
Netherlands	3,191
Switzerland	3,175
Norway	2,295
Belgium	2,272
USSR	1,774
Italy	1,556
Australia	1,376
Austria	1,195
Other	3,630
Total	77,639

Almond Control Board.

Second on the list of major foreign markets is Japan. A different marketing situation was found there, since almonds were relatively unknown. The task was not to change buying habits, but instead to create them, and extensive advertising and sales promotion efforts have proved fruitful. Although new to Japan, almonds are growing in popularity and industrial food processors are developing almond products suited to customers' particular tastes.

Just 5 years ago, California almonds made their debut in the Soviet Union. A modest purchase of snack almonds in consumer tins was made by the Russians for resale in their tourist shopping centers. Then Soviet confectioners became interested in California almonds, and they began buying larger quantities for use in their chocolate bars. This year already the Soviets have bought nearly 2 million pounds.

New markets like the Soviet Union and Japan have the greatest growth potential. These markets and other even newer ones, such as Czechoslovakia and South Africa, must be expanded if the production increases of the next few years are to be successfully marketed.

While foods containing almonds vary greatly from country to country, some general statements about usage can be made. More almonds are used by confectioners than any other single customer group. Confectioners buy nearly 44 percent of the crop. In the United States, three of the 10 best selling chocolate bars are almond bars, and the popularity of the chocolate-and-almond combination is known to candymakers all over the world.

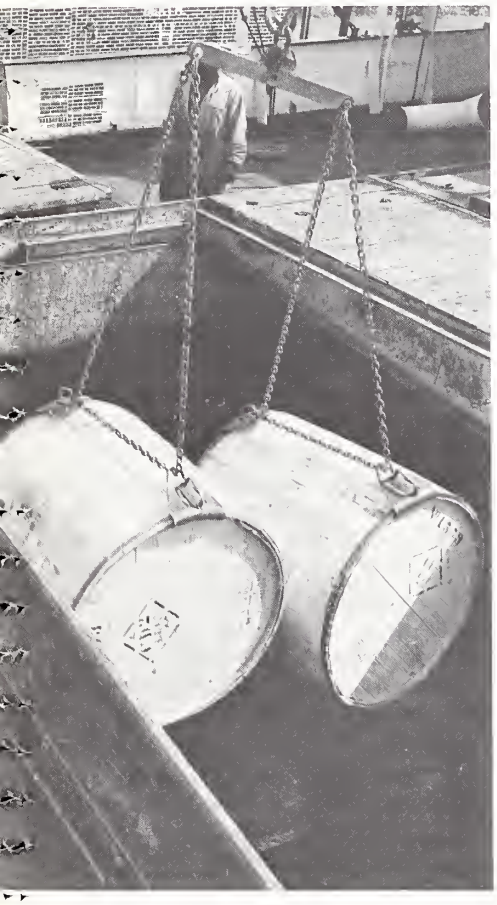
According to surveys conducted by representatives of the U.S. dairy industry, almonds are the most popular nuts in ice cream. Bakers and convenience food processors also use large amounts. Each customer group buys almonds in a different form, to fit its specific needs. Because almonds come in so many different forms (blanched slivered, sliced natural, diced roasted, whole, and almond paste, to name just a few) there are an infinite number of ways they can be used by both food processors and homemakers. Extensive research and development of sophisticated processing and handling equipment have made it possible to produce the many useful grades and packs marketed today.

From its main plant in Sacramento, the California Almond Growers Exchange (a cooperative) processes and ships 70 percent of the State's production. An extensive expansion program began several years ago to prepare for the increasing volume being produced. Plant processing lines were modernized and enlarged, and are now capable of handling 1.5 million pounds (shelled) per day. The final phase of this expansion program will be complete this year when a new distribution and storage center is placed in operation. All shipments, both domestic and export, will be handled from this one location, which includes cold storage space for 40 million pounds.

Technology has drawn a new face on the California almond industry. Bigger crops have required expanded markets and challenged the abilities of the industry to survive under such rapid growth. Overproduction is a serious concern today, but research continues to find new outlets to meet the even bigger challenge of tomorrow.

U.S. TOBACCO EXPORTS AND CONTAINERIZATION

By LEROY HODGES, JR.
Tobacco Division
Foreign Agricultural Service



Only two standard tobacco hogsheads could be loaded aboard ship at a time, and early containers held only 18.

U.S. tobacco exporters are joining the "container revolution." The industry, eying containerization skeptically when it first came on the scene in 1966, found serious objections to changing over from the traditional break-bulk cargo shipments. Slowly, however, it tested the water with its toe; gradually found solutions to some of the problems; and now is poised to take the plunge. Experience gained during the 1971 dock strike has helped encourage the changeover.

Why has the U.S. tobacco exporter been so hesitant to make use of containerization, which on the surface seems as well suited for the overseas transport of leaf tobacco as it does for perishable agricultural products?

The first major obstacle encountered by tobacco exporters came from the size and shape of the traditional wooden hogshead in which most tobaccos are packed. Standard-size flue-cured hogsheads are round barrels 48 inches high and 48 inches in diameter. The outside measurements of the majority of the early large sea containers were either 8 by 8 by 20 feet or 8 by 8 by 40 feet. Because of the height of the containers, only eight hogsheads could be packed in the 20-foot container and 18 in the 40-foot container. Over half the cubic space of the containers was lost. This completely eliminated the saving that should have accrued in shipping charges. There was, however, better space utilization when tobacco was packed in rectangular boxes or cases.

The second major problem arose from the necessity to vacuum-fumigate the tobacco prior to its being loaded aboard ship. Fumigation chambers are located at the ocean terminals. At first, fumigation was not allowed while tobacco was in the shipping container. This necessitated either shipping the hogsheads to the coast separately or else unpacking the container and "restuffing" it after the tobacco was fumigated. A longshoreman labor regulation requires that union members "stuff" all containers loaded within 50 miles of the port. The high wages paid to longshoremen make this extremely expensive and limit the savings otherwise possible from portal-to-portal delivery.

Many other problems have frustrated tobacco exporters, such as the lack of containers at the time and place they are needed; inability to get through bills of lading on portal-to-portal shipments; arbitrary and expensive labor practices in port areas; no clearly defined guidelines on insurance coverage and ocean carrier liability; improper construction and maintenance of containers; and the refusal of certain foreign customers to receive containerized shipments. Gradually these hindrances are being smoothed out.

Containerization of U.S. tobacco exports is now moving ahead by leaps

New taller 40-foot containers can load 36 tobacco hogsheads aboard at a time.

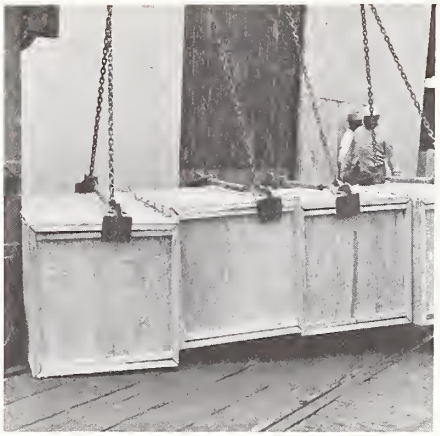
and bounds. Railroads, trucklines, and insurance companies are all finding containerization an important and growing factor in their business and are now cooperating to perfect the overall system. Tobacco exporters are taking the necessary steps on their part. It is costing them a lot of money and time to redesign their hogsheads and cases, alter their packing facilities, and persuade their foreign customers to make the necessary changes at their end. The exporters are now fully convinced that an ever-increasing percentage of U.S. tobacco exports will be carried by container ships, which are rapidly replacing break-bulk ships.

Tobacco exporters and carriers have both made concessions to solve the hogshead problem. Some exporters have decreased the height of their hogsheads from 48 inches to 45 and also developed cases measuring 48 by 30 by 30 inches. The new-size hogsheads and cases are being built with wood, plywood, or fiberboard in both disposable and reusable varieties.

Several carriers have introduced 40-foot containers 8½ feet high and in some cases 9½ feet high. This enables the shippers to conveniently load 36 hogsheads in a 40-foot container, using either 43-inch hogsheads or combinations of 43-inch and 45-inch hogsheads. On routes where the relatively few 9½-foot-high containers are available, combinations of 45-inch, 48-inch, and 54-inch hogsheads can be accommodated. Tobacco packed in the newly designed cases makes the best payloads. As many as 85 cases can be loaded into a container 40 feet long and 8½ feet high for a payload of 40,000 pounds.

The Flue-Cured Tobacco Cooperative Stabilization Corporation, the farmer organization which provides price support for flue-cured tobacco, currently has some 600,000 hogsheads of flue-cured tobacco packed in 48-inch hogsheads. As a large percentage of present-day containers are still only 8 feet high, exporters feel that the tall hogshead may prejudice the sale of this tobacco abroad. Consequently, U.S. exporters who often draw from the Stabilization Corporation inventory stocks to fill foreign orders are expected to request Stabilization to pack its future stocks of tobacco in 45-inch hogsheads or in cases.

The problem of fumigation has been met head on and all but solved. Fortunately for the exporter, a new method of fumigation has now been approved by USDA's Quarantine Division which enables the tobacco to be fumigated while in the sea container. This is accomplished by placing 168 phostoxin pellets per 1,000 cubic feet of container volume within the container for a period of 72 hours (3 days) followed by an aeration period of 48 hours (2 days), provided the temperature is 60° F. or above. This limits the use of phostoxin during the 3 or 4 cold winter months. Further experiments may relax the temperature regulations to permit fumigation at temperatures as low as 40° F. with an exposure time increased to 96 hours.



With cases, exporters can load 85 per container, for a 40,000-pound payload.

The 1971 shipping season was a most hectic one, owing to the prolonged longshoremen's strike at east coast ports that came during peak operations. Shortage of labor, lack of fumigation space, and insufficient storage space for break-bulk cargo forced tobacco exporters to use every container they could manage to get.

Experience prior to the strike and immediately after it showed that the use of containers can greatly simplify and expedite shipments. It is really the speed and convenience of loading afforded by containers that accounts for their growing popularity. Exporters say, however, that at this stage in the development of container shipping there may be additional costs which make shipments by containers more expensive than by break-bulk cargo.

The traffic managers of the tobacco companies went out on a limb in 1971 and worked hard to prepare their companies for the switchover to containerization. Even they are amazed at the speed at which the transition is now being accomplished.

It is estimated that over one-half of U.S. tobacco exports moved in containers in 1971, with some companies containerizing as much as 90 percent of their overseas sales. Each month more foreign customers are enthusiastically turning to containers. It is estimated that over 60 percent of the 1972 exports will move in this manner.

Most U.S. tobacco shipped to the United Kingdom is now packed in either fiberboard cartons or wooden cases and moving in containers. Customers on the Continent have adapted even more quickly to containers and the major part of U.S. shipments to this area are now containerized.

The Australians have had a number of problems when receiving shipments in containers. But now two steamship lines serving that area are already fully containerized, and a third line is expecting to make the full switch within the year. All problems must be quickly cleared up and the new mode of transport accepted, or Australian importers will find it extremely difficult to contract shipping space.

Containerization by steamship lines serving the Far East is moving very slowly at present, with more emphasis being placed on unitized loads. However, more containerized tobacco will move to this area within the next 2 years, since the major U.S. line and all the Japanese lines serving this area are changing over to containers.

Containerization has not made much headway as yet in handling tobacco shipments to the Baltic, the Mediterranean, Central and South America, and Africa. Shipments to these areas are still largely by hogsheads in break-bulk cargo. As containerization becomes more prevalent throughout the world, one can expect these areas to adopt the new mode of shipment.

As more steamship lines turn to containers, tobacco shippers will be hard pressed to book cargo space for break-bulk shipments on the few remaining lines. Thus it seems inevitable that—provided shippers can be assured of reasonable transportation costs and an adequate supply of proper-size containers available when and where needed—container ships will carry an increasing percentage of U.S. tobacco exports.

U.S. FARM IMPORTS FROM FAR EAST HIT RECORD LEVEL—ALMOST HALF COME FROM PHILIPPINES

U.S. imports of agricultural commodities from the Far East reached a record $922.7 million in 1971—7.7 percent above those of 1970. The Philippines, India, Japan, and Indonesia accounted for most of the $66-million increase. Sugar, rubber, coconut products, canned fruits and vegetables, cashew nuts, tea, and coffee are the major U.S. agricultural imports from this region.

The first substantial imports of agricultural commodities by the United States from the People's Republic of China (PRC) in more than 20 years occurred in late 1971. Total U.S. imports of all items from Mainland China last year were valued at about $5 million, including almost $4 million worth of agricultural commodities. In order to acquaint the U.S. trade with their quality, samples of Chinese products, including goatskins and cashmere goat hair, were sent to American importers free of charge.

U.S. agricultural imports from Hong Kong increased by 26 percent in 1971 to $4.3 million, a large part of which originated in the PRC, especially prunes and processed vegetables.

Although the leading import in 1971 direct from the People's Republic of China—in terms of value—was hog bristles, other items might surpass it in importance in the near future. Some of the most important nonagricultural imports from PRC last year included antiques, carpets and other items used as household decorations. Substantial U.S. imports of Chinese products arrived during only 3 months of 1971, September, November, and December. If imports arrive during 1972 at the same rate, U.S. imports from Mainland China would reach $20 million. During the first 3 months of 1972, U.S. imports of farm products totaled $4.5 million.

In addition to the blossoming trade with the People's Republic of China, which has been handled predominantly by businessmen located in Hong Kong, the United States is increasing agricultural imports from Outer Mongolia. In 1971, these imports totaled $895,000, still below imports of $3.5 million from this source in 1965. Leading items imported from this country in 1971 included camel hair, cashmere goat hair, and furs.

U.S. agricultural imports from the Philippines reached a record $381 million in 1971—$99 million above 1967. The Philippine share of U.S. agricultural imports from the Far East increased from 38 percent in 1967 to 41 percent in 1971. Larger shipments of sugar and canned pineapples contributed to a 6.3-percent rise over 1970 imports.

Larger imports of coffee and tea accounted for part of the rise in U.S. agricultural imports from Indonesia, India, and Ceylon. Imports of processed foods from Japan, Taiwan, Singapore, and Hong Kong increased significantly. On the other hand, U.S. imports of rubber from Cambodia and bristles from Nepal declined sharply last year. The value of rubber imports from Malaysia and Indonesia was down considerably.

Depressed world prices for rubber, sugar, and tea limited the increase in the value of U.S. agricultural imports from the Far East between 1962 and 1967 to only 1 percent, in contrast to the 25-percent growth between 1967 and 1971. Asian countries are now sending more processed foods to the United States, especially canned pineapples, bakery products, and vegetable preparations. Rising prices for cashew kernels and coffee have also contributed to the current upward trend.

—By LORIN O. LOVFALD and JOHN B. PARKER, JR.
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U.S. AGRICULTURAL IMPORTS FROM THE FAR EAST

Country	1970	1971	Change	Change	Major items imported, by value
	1,000 dol.	*1,000 dol.*	*1,000 dol.*	*Percent*	*Million dollars*
Afghanistan	298	3,372	3,074	1,031.5	Karakul pelts, 2.0; pistachio nuts, 0.6.
India	78,074	89,912	11,838	15.2	Cashew nuts, 34.4; tea, 11.1; sugar, 13.5.
Pakistan	6,302	5,289	−1,103	−16.1	Jute, 2.3; molasses, 1.3; cotton, 0.6.
Nepal	1,141	450	−691	−60.6	Bristles, 0.4; frogs legs, 0.07.
Ceylon	24,040	28,345	4,305	17.9	Tea, 23.0; rubber, 3.7; spices, 0.3.
Thailand	26,656	25,228	−1,428	−5.4	Rubber, 9.3; sugar, 2.3; tapioca, 5.6.
South Vietnam	108	436	328	303.7	Feathers, 0.2; cassia, 0.2.
Laos	114	97	−17	−14.9	Coffee, 0.1.
Cambodia	1,103	71	−1,032	−93.6	Jute, 0.1.
Malaysia	123,751	126,786	3,035	2.5	Rubber, 93.8; palm oil, 11.0; coffee, 4.5.
Singapore	17,579	19,630	2,051	11.7	Rubber, 15.4; canned pineapples, 1.1; pepper, 1.1.
Indonesia	122,162	128,275	6,113	5.0	Rubber, 44.3; coffee, 40.9; pepper, 13.5.
Philippines	358,617	385,137	26,520	7.4	Sugar, 222.0; coconut oil, 78.4; canned pineapples, 15.4.
Macao	5	74	69	1,400.0	Coffee, 0.1.
China, People's Rep.	0	3,983	3,983	—	Bristles, 1.8; cassia, 1.3; cashmere hair, 0.3; cassia oil, 0.2; silk, 0.1; camel hair, 0.1; processed vegetables, 0.1; feathers, 0.1.
Outer Mongolia	612	894	282	46.1	Camel hair, 0.5; cashmere hair, 0.3.
Korea, Rep. of	4,855	4,545	−310	−6.4	Mushrooms, 1.9; tobacco, 1.0; silk, 0.5.
Hong Kong	3,418	4,319	901	26.4	Bakery products, 0.7; prunes, 0.8.
Taiwan	50,486	53,210	2,724	5.4	Canned mushrooms, 16.0; sugar, 11.0; canned pineapples, 7.1; canned oranges, 2.8.
Japan	37,081	46,403	9,322	25.1	Canned mandarins, 14.5; bakery products, 2.7.
Other	204	460	256	125.5	Canned mandarins, 0.1; spices, 0.1.
Total	856,606	926,916	70,310	8.2	

Bureau of the Census.

Dutch Onion Output Continues Sharp Rise Although Exports and Returns Are Lagging

In recent years, Dutch onion production has risen sharply and, despite disappointing financial returns in the 1970-71 season, the trend is continuing, according to a report by the Dutch Product Board for Fruits and Vegetables.

Although less than 1 percent of the world's onion acreage is in the Netherlands, the Dutch account for 3 percent of world production, about 30 percent of world exports by weight, and up to 35 percent by value.

Latest available figures show world onion area at 2.2 million acres, with the Netherlands accounting for just over 25,000. The United States grows more than 100,000 acres annually.

Onion yields per acre in the Netherlands are much higher than in most other countries mainly because the general level of skill of horticultural producers is very high. The Dutch Government promotes education and research to improve crops. Consequently, Dutch horticulture has become highly organized and progressive. Yields in the United States were slightly less than those of the Netherlands in 1967 and 1969, but surpassed Dutch yields in 1968.

According to preliminary data, 23,820 acres of onions were planted from seed in 1971, compared with 16,963 in 1969. The average yield of onions planted from seed was nearly 17 metric tons per acre in 1971, up from 14.8 tons in 1969. With a country average of 16.6 tons per acre on 23,820 acres, production of onions in 1971 might well have reached 395,000 tons, a rise of 59 percent from 249,000 tons produced in 1969.

Although figures are not available on the area planted from sets in 1971, it is believed that the same quantity was available as in 1970, when 1,381 acres were planted. Experts estimate that if the yield from sets in 1971 was about 30 tons per acre and the planted area about 1,380 acres, then production could have reached 42,000 metric tons.

The Netherlands Export Control Bureau estimated exports of onions from sets at about 34,000 tons, which would agree with a production of 42,000 tons, since about 80 percent of the total crop generally is exported.

A large share of 1971 production will be stored for delivery later in 1972. This will involve some storage losses. Using the accepted formula of 1.18 percent loss for every 10 days of storage and calculating losses according to the average of the preceding three seasons, output from seed would drop to about 350,000 tons and commercial production from sets would be down to about 25,000 tons, making a total commercial production of 417,000 tons for 1971-72.

According to the Export Control Bureau, 124,000 tons were exported in July-October 1971. Of this tonnage, 70,000 were sold to West Germany, 14,000 to England, 11,000 to France, and the remainder was shipped to more than 30 other countries. During the past 3 years, West Germany, France, and the United Kingdom have been the largest purchasers, accounting for more than 75 percent of Dutch onion exports.

In the marketing season October-September 1970-71, the United States exported 66,225 tons of onions. About 36,741 went to Canada, 5,897 to Europe and, in a very unusual purchase, Japan bought 18,597 tons.

Although Netherlands exports were up 5 percent in the first months of 1971 over the same period in 1970, the fact that production rose by 23 percent indicates exports could have been greater.

Farmers' holding back stocks because of low prices was considered the major reason for the drop in exports. For growers, prices have been far from attractive. In July, they were equal to 6.6 U.S. cents a pound, compared with 9.9 cents in July 1970 and 8.7 in July 1969. By August, prices had dropped to 4.5 cents a pound and in September were down to 2.7 cents.

Despite falling prices, if deliveries do not speed up, it will be difficult for farmers to sell their tremendous stocks later in the season and, since there has been no indication of a smaller crop this year, prospects for the future are uncertain.

—Based on a dispatch from
BRICE K. MEEKER
U.S. Agricultural Attaché, The Hague

Potential for U.S. exports

West Africans Switch to Wheat and Flour

An increase in imports by five West African nations of U.S. wheat and flour may be in the offing as a perceptible change in eating habits occurs. The ratio between the traditional staple of rice and wheat and flour is changing as more rural people move into the money economy and per capita consumption increases.

During fiscal 1971, Senegal, Guinea, Sierra Leone, the Ivory Coast, and Liberia imported $111.1 million worth of rice, wheat, and flour, based on current U.S. prices. Rice accounted for $95.4 million worth of the imports, totaling about 500,000 tons.

Wheat imports, still a minor part of food grain imports, are increasing faster than rice imports. From 1966-67 to 1970-71, wheat and wheat flour imports increased 44 percent, while rice imports increased 16 percent.

The U.S. share in these markets has been small, but it has a potential for enlargement. In fiscal 1971, U.S. rice made up slightly over 9 percent of these West African nations' rice imports, and U.S. wheat 16.5 percent.

Senegalese rice purchases are mostly from Thailand, while Guinea imports from the United States. The Ivory Coast imports from various suppliers, including Italy, the Netherlands, Egypt, Brazil, Taiwan, and the United States.

Liberia remains the one traditional U.S. rice market in Western Africa. Despite a 1970 effort to switch to cheaper Egyptian rice, it is expected consumer demand will result in U.S. rice continuing to supply the largest portion of Liberia's needs.

The United States appears to have somewhat better prospects, however, in these markets for wheat and flour.

If current trends continue, wheat and wheat flour consumption should represent half the total food grain and flour market in the near future. Since there is no domestic wheat production, all wheat and wheat flour must be imported, creating a steady demand.

Basic wheat requirements are rising as some West African states begin planning flour mills, and wheat flour

requirements will rise in other states where existing storage capacities are being increased. The outlook is good for a strong wheat and, for the immediate future, wheat flour market.

Principal marketing problems come from relationships with traditional suppliers. Senegalese imports from France still range from 40 to 50 percent of the total. The Ivory Coast's dependence on France seems to be declining. Guinea's trade with France is of no significance. With their high-quality product already in these markets, U.S. wheat producers are in a good position to increase sales.

As an added plus, sellers of wheat and flour products will be helped by the fact that consumers of bread are in large part urban, more affluent, and buy mostly from established markets and stores rather than through vendors. This will make them easier to reach with market promotion activities.

As the rural populations continue to move into the cities of Western Africa, boosting the trend to more wheat products use, and development projects continue to unfold, the market potential for imported foodgrains may well provide new outlets for U.S. producers.

—Based on a report by
JAMES R. HICKMAN
U.S. Agricultural Attaché, Monrovia

First Kobe-Type Beef Shipped to Japanese Specialty Markets by Canadian Producers

Thirty-two highly finished beef carcasses arrived in Japan this spring from Vancouver. Destined for a Japanese specialty market, the shipment could open up new avenues of trade for Canadian beef products.

The carcasses, ranging in weight from 650 to 850 pounds and shipped in refrigerated containers, were selected from the carcasses of 60 young cows and heifers that had been specially fed at the University of Alberta's beef cattle research station at Ellerslie to produce Kobe-type beef.

The carcasses shipped to Japan were selected on the basis of that country's marbling score by Dr. R. Fukuhara, a post-doctorate fellow at the University of Alberta. Dr. R. T. Berg of the University's animal science department will follow up the shipment in Japan, to evaluate the acceptability of the beef, and to further assess the potential market for other Canadian beef exports.

The cattle from which the carcasses were chosen represented several different breeds. They were purchased for the project by the Alberta Cattle Commission. The commission has an agreement with the Horned Cattle Trust Fund whereby it is responsible for 50 percent of any deficit that may be incurred. Canadian packers agreed to kill and market the cattle on behalf of the Alberta Cattle Commission.

Paul Hodgman, secretary-manager of the Alberta Cattle Commission, says the present shipment to Japan represents the first time a Canadian beef producers' organization has attempted to export beef. Such projects in the past have been undertaken by packing plant companies.

The aim of the project is to develop a specialty market for heifers and young cows at a premium price, and to see if interest in other Canadian beef products can be generated in Japan.

As soon as results from the cost-benefit analysis that is being done on the present project become available, the Alberta Cattle Commission will distribute them to the beef industry. It will then be up to the producers themselves to decide whether or not it is to their advantage to try to produce beef for a specialty market.

West Germany's Mixed Feed Production Reaches New High in 1971

West German production of mixed feed reached a record level in 1971 following a sharp upward movement during the sixties and seventies. The share of corn in total grain used for mixed feed climbed steadily during that period while the percentage of wheat used remained relatively stable.

During the 1961-71 period, total mixed feed output climbed from 3.85 million metric tons to 9.86 million.

WEST GERMANY'S MIXED FEED PRODUCTION
[In thousands of metric tons]

Type	1961	1969	1970	1971
Horse	9	17	20	24
Cattle	844	1,926	2,196	2,255
Calf	94	301	325	300
Hog	1,110	2,620	3,556	3,485
Poultry	1,726	3,168	3,664	3,605
Other [1]	70	159	166	194
Total	3,853	8,191	9,727	9,863

[1] Pigeons, rabbits, etc. Federal Ministry of Agriculture.

Although the grain share of total mixed feed has dropped from 44.3 percent to 37.1 percent, the amount of grain used increased by 114 percent—from 1.7 million metric tons to 3.65 million.

West Germany is not self-sufficient in grain production, and relies heavily on imports from the United States and the European Community. In 1969 West German imports of cereals and preparations amounted to $98.2 million out of total imports of $128 million.

The composition of West Germany's total grains in mixed feed has undergone considerable change between 1961 and 1971. In the earlier year corn made up 27 percent of all grain used in mixed feed; in 1969, corn usage reached a high of 45 percent, dropped to 39 percent the following year, and recovered again to 45 percent in 1971.

The wheat share, on the other hand, has remained relatively stable between 1961 and 1971 at 22 percent of the total. In 1970, however, the wheat share of total grains went to 31 percent because of a high denaturing premium paid that year.

WEST GERMANY: GRAIN PROCESSED INTO MIXED FEED
[In thousands of metric tons]

Type	1961	1969	1970	1971
Wheat	371	546	1,121	818
Rye	245	62	94	98
Barley	387	556	605	689
Oats	232	343	369	368
Corn	459	1,317	1,423	1,629
Milo, millet	12	74	12	55
Total	1,706	2,898	3,624	3,657
	Percent	*Percent*	*Percent*	*Percent*
Share of total mixed feed	44.3	35.4	37.3	37.1

Federal Ministry of Agriculture.

—Based on a dispatch from
ROGER E. NEETZ
Asst. U.S. Agricultural Attaché, Bonn

New Noodles-in-a-Cup Snack Sells U.S. Soft Wheat in Tokyo

"Cup Noodles" are the latest product to pique the already big Japanese appetite for ready-to-serve noodles.

Packed and served in plastic hot cups, the new product was introduced last September by the Nisshin Shokuhin Company, one of Japan's largest ramen manufacturers. (Ramen is the name given to noodles made of high-protein hard wheat.) The popularity of Cup Noodles can be gaged by the increase in their production level—from 10,000 servings a day in September 1971 to 300,000 daily servings at the present time.

Noodles used in this new product are made of flour milled from soft U.S. Western White wheat blended with domestic soft wheat. At the present time about 720 metric tons per month of this type of wheat (some 8,600 tons annually), are used to manufacture Cup Noodles. But this represents only a small portion of Japan's total imports of U.S. Western White wheat.

During the Japanese fiscal year, ending March 31, 1972, Japan imported 516,000 metric tons of Western White wheat from the United States. This was about one-fourth of all U.S. wheat sold to Japan in 1971-72. Total sales were slightly more than 2 million tons.

In the previous year, Japanese imports of U.S. Western White wheat totaled 818,000 metric tons, while total wheat imports were a record 2.7 million tons.

Because preparation of Cup Noodles is a simple matter—just add a half cup of boiling water and cook for less than 3 minutes—the new product is a favorite with people who want a hurry-up meal. On Sundays, when the Ginza shopping area is closed to auto traffic, hundreds of shoppers can be seen eating Cup Noodles at tables dotting the neighborhood. Cup Noodles can also be found at most Tokyo railway stations, amusement parks, standup noodle booths located throughout the city, and in small restaurants. A type of vending machine is even being developed to handle the cup-packed product.

With the main street of Tokyo's Ginza blocked off for shoppers on Sunday, two young ladies enjoy the newest convenience snack item in Japan, Cup Noodles.

The manufacturer of Cup Noodles hopes to give them nationwide distribution as soon as possible. The hangup is the shortage of hot cups in which to pack the noodles. Only one company in Japan makes this type of cup at present and the Shokuhin Company takes its entire output. When the cup manufacturer is able to increase its hot-cup output, or some other source of supply is located, consumers outside the city limits of Tokyo will also be able to get its noodles-in-a-cup.

U.S. Poultry Is Promoted in Germany on Importer's Delivery Trucks

A top German importer, Ferdinand L. Friedrich of Hamburg, not only sells U.S. poultry but tells about it on the streets. The U.S. symbol and the platter full of poultry, shown in the photograph at left, are seen wherever a Friedrich truck makes a delivery. The trucks will continue to carry both poultry and message for at least 1½ to 2 years before being repainted.

Use of an importer's truck to display the U.S. poultry image is one of the types of advertising permitted in the overseas promotion campaign carried on by the Poultry and Egg Institute of America (PEIA). PEIA is the poultry industry cooperator in the joint industry program with the Foreign Agricultural Service to expand export markets for U.S. poultry products.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 14	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14 ...	1.97	0	[1] 1.94
USSR SKS-14	([2])	([2])	1.89
Australian FAQ	([2])	([2])	1.78
U.S. No. 2 Dark Northern Spring:			
14 percent	1.86	−1	1.91
15 percent	1.92	−2	1.96
U.S. No. 2 Hard Winter:			
13.5 percent	1.77	−3	1.89
No. 3 Hard Amber Durum ...	1.85	−2	1.79
Argentine	([2])	([2])	([2])
U.S. No. 2 Soft Red Winter...	([2])	([2])	1.76
Feedgrains:			
U.S. No. 3 Yellow corn	1.45	−2	1.73
Argentine Plate corn	1.72	−3	1.77
U.S. No. 2 sorghum	1.41	−1	1.55
Argentine-Granifero sorghum	1.43	+1	1.52
U.S. No. 3 Feed barley	1.21	−2	1.25
Soybeans:			
U.S. No. 2 Yellow	3.81	0	3.42
EC import levies:			
Wheat [3]	[4] 2.03	+3	1.39
Corn [5]	[4] 1.32	0	.63
Sorghum [5]	[4] 1.37	0	.87

[1] Manitoba No. 2. [2] Not quoted. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 21 cents a bu. lower than those of other EC countries.

Note: Basis—30- to 60-day delivery.

French Corn Area To Increase in 1972

The French Grain Board (ONIC) estimates French corn area at 4.6 million acres, up 13 percent over last year and nearly 50 percent above the recent 5-year average. Assuming the ideal weather of last year is not repeated, yields are expected to decline. Production is forecast to increase only 9 percent to 9.6 million tons, 800,000 more than last year.

China Buys Additional Canadian Wheat

Canada has announced a sale of 1.5 million long tons (56 million bushels) of wheat to Mainland China. The delivery period is from July 1972 through March 1973. Terms are for 25 percent to be paid down and the balance to be paid in 18 months. Half of the quantity (or 750,000 tons) is to be shipped by December 31, 1972.

This sale, combined with the 3-million-ton agreement for calendar 1972, signed in December 1971, would bring total 1972 shipments to 3.75 million tons or 140 million bushels. This is the largest amount Canada has shipped to China in a single year.

EC Corn Levy At Record High

Currently, the EC corn levy is at its highest level since the common levy began on July 1, 1967. The current rate of 47.11 units of account or $51.15 per metric ton is 0.82 higher than the old record reached in October 1968.

Thailand and Taiwan Sign Corn Agreement

An agreement has been signed whereby Taiwan will purchase 500,000 tons of corn from Thailand during 1972-73, 100,000 tons more than this year. Taiwan's annual corn import requirements are about 800,000 tons. U.S. corn shipments to Taiwan are expected to be about 102,000 tons this year and could expand in 1972-73.

LIVESTOCK AND MEAT PRODUCTS

Australian Wool Board Wins New Shipping Rates

The Australian Wool Board has won major reductions from conference shipping lines on rates for transporting wool to Europe. The drop in rates follows threats from the wool industry to abandon present shipping arrangements and send the wool by independent lines. The newly negotiated rates mean that the present freight bill of $45.2 million will fall by about 15 percent in the financial year beginning in June.

Wool shippers will have a choice of three levels of service at graded rates, instead of the one at present. The agreement covers the next 3 financial years.

The top rate, for what has been described as "Rolls Royce" service, will be 8 percent below the present one in 1972-73, representing a saving of $2.6 million. For 1973-74, the reduction will be 4 percent, worth $1.3 million, and in 1974-75 the freight rates will return to present levels. The average reduction over the 3 years will be 4 percent.

A second level of the service will provide a drop of 15 percent in freight rates next financial year, 11 percent in 1973-74, and 6 percent in 1974-75, giving an average of 11 percent.

Wool Board shipping experts expect that most wool will be sent to Europe at these rates. A third-level "bare bones" service will provide reductions of about 25 percent.

The notice stressed that the frequency and speed of the services would be the same in each case.

U.S. Meat Imports Continue Higher in April

During April 1972, U.S. meat imports subject to the Meat Import Law totaled 105.4 million pounds—22 percent more than in April 1971, when 86.2 million pounds were imported. The entire net increase was attributed to larger imports of Australian meats.

Imports from Australia were up sharply; at 63.4 million pounds, they were 73 percent higher than in April 1971. Other important suppliers showing increases included Costa Rica, Guatemala, Nicaragua, and the Dominican Republic.

Imports from New Zealand, the second largest supplier of these meats, were running at year-earlier levels. Imports from three other major suppliers, however—Mexico, Ireland, and Canada—remained sharply below those levels.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW,[1] BY COUNTRY OF ORIGIN

Country of origin	April		January-April		
	1971	1972 [2]	1971	1972 [2]	Change
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Australia	36,588	63,353	117,638	164,955	+40
New Zealand	16,520	17,056	56,228	56,502	—
Costa Rica	5,265	6,314	24,598	27,683	+13
Mexico	8,190	5,262	37,023	27,084	−27
Ireland	7,007	1,340	30,990	17,728	−43
Nicaragua	2,962	3,026	13,912	17,219	+24
Canada	6,622	4,738	25,986	16,985	−35
Guatemala	1,193	1,334	6,820	8,202	+20
Honduras	1,073	1,057	6,644	6,041	−9
Dominican Rep.	224	1,330	585	3,921	+570
Panama	120	204	1,251	1,219	−3
Haiti	47	358	226	701	+210
United Kingdom	378	—	1,129	37	−67
Total [3]	86,190	105,371	323,030	348,277	+8

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [2] Preliminary. [3] May not add because of rounding.

U.S. IMPORTS OF MEAT, TOTAL AND SUBJECT TO MEAT IMPORT LAW
(P.L. 88-482)
[In millions of pounds]

Imports	April [1]	January-April [1]
1972:		
Subject to Meat Import Law [2]	105.4	348.3
Total beef and veal [3]	106.7	398.4
Total red meat [4]	157.4	589.5
1971:		
Subject to Meat Import Law [2]	86.2	323.0
Total beef and veal [3]	100.2	371.1
Total red meat [4]	138.3	528.8
1970:		
Subject to Meat Import Law [2]	88.7	425.9
Total beef and veal [3]	96.1	468.7
Total red meat [4]	139.1	634.1

[1] Preliminary. [2] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [3] All forms, including canned and preserved. [4] Total beef, veal, pork, lamb, mutton, and goat.

Signs of Expansion in U.K. Livestock Production

The results of the March 1972 Agricultural Census for England and Wales show signs of an expansion in U.K. livestock production.

The number of cattle on farms in England and Wales in March 1972 totaled almost 9.47 million head—5 percent larger than a year earlier. (England and Wales account for about 75 percent of total U.K. cattle numbers.)

There were particularly noticeable increases in the number of cows in calf in the beef and dairy herds. Those described as being in the dairy herd, at 446,000 head, were 4 percent above March 1971, while the number of dairy-type heifers in calf, at 531,000 head, was up 3.5 percent.

In the beef herd, the number of cows in calf totaled 299,000 head—up 10.5 percent from the 12 months previous, while the number of beef-type heifers in calf, at 137,000, was 25 percent greater. Another prominent feature was the number of young animals. The number of cattle under 6 months old was 1.43 million, 12 percent larger than in March 1971.

In the pigs sector, about which fears of a downturn in 1972 have been expresssed, there were signs that any reduction may be short lived. While the total breeding herd at 782,000 head was 2 percent lower than a year earlier, there was an encouraging sign in that the number of pigs under 2 months old, at 1.93 million head, was 2.5 percent larger than the previous year.

In recent years, sheep numbers in the United Kingdom have been declining steadily, but the March 1972 census indicates that the recovery which became apparent in 1971 has now accelerated. In March 1972 the number of ewes in lamb or with lambs at foot totaled 8.13 million head—an increase of 3.5 percent over March 1971. The number of other sheep over 6 months old totaled 2.51 million—6.5 percent larger than a year earlier.

COTTON

Iran To Expand Cotton Production in 1972-73

Recent reports indicate that Iran can expect a bumper cotton crop in 1972-73, given favorable weather. High world cotton prices during the past 2 years are expected to stimulate an acreage increase of about 25 percent in the Caspian region, which accounts for approximately 80 percent of Iran's cotton production. Cotton farmers will also use more fertilizers and pesticides to increase cotton yields.

In spite of a substantial increase in cotton acreage in 1971-72, drought in portions of the Caspian region caused a sharp drop in yield, and cotton production declined to its lowest level in 4 years. Approximately 910,000 acres were planted to cotton in 1971-72, compared with 790,000 acres a year earlier, but production fell from 707,000 bales (480 lb. net) in 1970-71 to 665,000 in 1971-72—reflecting a 31-percent decline in yield to only 351 pounds per acre.

Good weather in 1972-73 and increased use of fertilizers and pesticides could raise yield to the more normal level of about 375 lb. per acre (the average during the past 5 years).

A substantial expansion of acreage for the second year in a row could also contribute to a bumper cotton crop in 1972-73.

Mill consumption in 1970-71 was reported at about 275,000 bales. Exports in recent years have ranged from 400,000 to 500,000 bales annually, about half of which goes to the Soviet Union and Eastern Europe.

SUGAR AND TROPICAL PRODUCTS

Canada's 1971 Honey Crop And Export Outlook Good

Canada produced another good honey crop in 1971 and honey exports are expected to continue high. The 1971 crop of 50.6 million pounds was 1 percent below the 1970 outturn and was only 5 percent less than the record crop harvested in 1969.

Canada's honey exports during the 1971-72 crop year (July 1-June 30) are forecast at 16 million pounds compared with 19.2 million in 1970-71 and 6.0 million during 1969-70. Stocks during the 1971-72 crop year are expected to decrease from 9.1 million pounds to 4.3 million.

The Canadian Honey Council predicts that honey colony numbers will increase by 10 percent in 1972 over the previous year. The size of the 1972 crop will depend on conditions during the remainder of the growing season. However, an excess of world demand over supply and high world prices, as well as strong market promotion, can be expected to result in continued good sales of Canadian honey on the export market during 1972-73.

EC Adopts Support Measures For 1972-73 Sugar

The EC Council has adopted 1972-73 support prices and related support measures for sugar and sugar beets. These support prices for 1972-73 (July-June) average 3 percent above those for 1971-72. The target price for white sugar will be 11.14 cents per pound compared with the 1971-72 price of 10.80 cents per pound. The standard quality to which target, threshold, and intervention prices apply is the same as in 1971-72.

The base sugar quotas and the guaranteed quantity for 1972-73 remain unchanged at 6,480,000 metric tons. The maximum quotas for sugar manufacturers are also unchanged at 135 percent of base quotas. The minimum sugar beet prices within quota will be $19.63 for Italy and $17.68 for other EC countries. Minimum beet prices for sugar beets produced over quota and up to 135 percent of the base quota will be $12.35 for Italy and $10.40 for other EC countries.

Sugar Beets—A Promising New Crop in Khuzistan, Iran

The 1971-72 season is the first time that sugar beets have been grown on any scale in the Iranian Province of Khuzistan. Sugar beets are a new crop which provides good employment and earning opportunities for small farmers and large agri-businesses alike. Increased production has been made possible through the conversion and expansion of the Ahwaz Sugar Refinery and improvements that have been introduced in the growing and processing of the beets.

In 1973 production of beets is expected to amount to 150,000 tons, and in 1974 it should come to the full capacity of 250,000 tons. Currently, yields are between 40 and 90 tons per hectare (16 to 36 tons per acre) and the sugar content is between 15 and 22 percent.

Bangladesh Nationalizes Raw Jute Exports

On May 30 the Bangladesh Government announced that, effective July 1, all jute export sale contracts will be made by a newly created Government corporation. This body will, in effect, employ existing private shippers as its agents in actually implementing foreign sales of raw fiber.

The action was described as a step toward nationalization of the entire jute trade.

Mozambique's Tea Exports Rise in 1971

Tea exports from Mozambique in 1971 amounted to a record 17,500 metric tons, up 5 percent over 1970 shipments of 16,653 tons. The United Kingdom remained the largest recipient, taking 9,712 tons in 1971, compared with 12,086 tons in 1970.

1972-73 Jute Prospects In India and Bangladesh

Lack of rain in India, coupled with short supplies of good seed and possible diversion of jute land to rice, threatens to pull production to well below earlier expectations, although the outlook could improve, given rain in the next few weeks.

Firm estimates on the upcoming jute harvest in Bangladesh have been lacking. However, trade sources indicate that it could well be below normal levels, owing to drought and other factors.

Crops and Markets Index

UNCTAD URGES WIDER LDC VOICE IN WORLD FINANCE AND TRADE

When the third United Nations Conference on Trade and Development (UNCTAD III) ended late last month in Santiago, Chile, the less developed countries (LDC's), which had arrived with high hopes and expectations, departed with mixed feelings.

They had come to UNCTAD III nearly 6 weeks earlier with a fairly complete list of demands for changes in the economic policies of the developed countries (DC's). This list, known as the Declaration of Lima, had been drawn up by nearly 100 of the LDC's at a meeting in Lima, Peru, during November 1971. However, a number of actions requested in the Declaration of Lima were not transformed into resolutions by the time the Conference concluded its work on the morning of May 21, 1972.

On the other hand, the LDC's did make gains in several important areas. It was recognized that they should participate in the round of General Agreement on Tariffs and Trade (GATT) negotiations on nontariff trade barriers, scheduled for 1973. Likewise, they will have a greater voice in the formation of global monetary policies; they will participate in decisions on the final shape of the world's new monetary system.

The developed countries made commitments to provide special assistance to the least developed nations of the world. Also, the DC's have indicated a willingness to help the LDC's in the fields of tourism, insurance, shipping, and transfer of technology. All participating nations endorsed a resolution to work toward conclusion of negotiations for an international cocoa agreement. Besides these matters, discussions covered such subjects as trade in primary products and manufactures and the impact that regional economic groupings may have.

Participation in UNCTAD is open to all members of the United Nations or its various organizations. At the recent close of the Third Conference, UNCTAD had 142 member nations. In addition to representatives of the member governments, observers from numerous international organizations and intergovernmental bodies were present.

UNCTAD III was the first international conference at which the People's Republic of China (PRC) was represented. Also, during the closing days of the Conference the world's newest nation, Bangladesh, was admitted as a member.

The LDC's constitute the major share of UNCTAD's membership; constituting most of the remainder are the DC's, subdivided into nations with market economies (the United States, Western Europe, Japan, Canada, Australia, and New Zealand) and nations with centrally planned economies (the USSR and Eastern Europe). Countries which attended but did not formally participate with any of these groupings at UNCTAD III were the PRC, Cuba, Israel, and South Africa.

—By Robert M. McConnell
Trade Operations Division
Foreign Agricultural Service